

By: Ellis

S.B. No. 963

Substitute the following for S.B. No. 963:

By: Smithee

C.S.S.B. No. 963

A BILL TO BE ENTITLED

AN ACT

relating to regulation of premium rates for long-term care insurance.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter B, Chapter 1651, Insurance Code, is amended by adding Section 1651.056 to read as follows:

Sec. 1651.056. REVIEW; APPROVAL OR DISAPPROVAL OF PREMIUM RATES. (a) A long-term care premium rate may not be used until the rate has been filed with the department and approved by the commissioner.

(b) The commissioner may disapprove a long-term care premium rate that is not actuarially justified or does not comply with standards established under this chapter or adopted by rule by the commissioner.

(c) An insurer who obtains the commissioner's approval of an increase of a long-term care premium rate under Subsection (a) shall:

(1) notify policyholders of the scheduled rate increase at least 45 days prior to the date that the policyholder is required to make a premium payment at the increased rate; and

(2) provide contingent nonforfeiture benefits consistent with nationally recognized models and rules adopted by the commissioner.

SECTION 2. This Act applies to any rate increase

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1 implemented on or after September 1, 2009.

2 SECTION 3. This Act takes effect September 1, 2009.